

Office of Foreign Assets Control Sanctions Compliance Policy

It is the policy of Generac Holdings Inc. and all subsidiaries and entities controlled by it (collectively, the "Company") to comply with all applicable laws, including sanctions, embargoes, regulations, and orders (collectively, "Sanctions") imposed by the U.S. Department of the Treasury—Office of Foreign Assets Control ("OFAC"). Without limiting this, it is the policy of the Company to comply with OFAC's Sanctions regarding doing business with foreign countries or foreign nationals and other parties identified on OFAC's Specially Designated Nationals ("SDN") list.

What are OFAC Sanctions?

OFAC administers the OFAC Sanctions to implement U.S. foreign policy and/or national security interests against targeted foreign countries and regimes, terrorists, drug traffickers, and others. Each OFAC Sanction program varies, depending on the U.S. policy concerns involved. Thus, a permissible transaction in one sanctioned country may be prohibited in another sanctioned country. The SDN list identifies parties owned or controlled by sanctioned countries and other targeted parties (e.g., terrorists and drug traffickers). OFAC programs and the SDN list change constantly, so they must be reviewed on an ongoing basis.

Penalties for violating OFAC Sanctions are severe and can involve criminal and civil liability for individuals and companies. Violation of Company policy is grounds for discipline and/or termination.

Caveat: The above is a very brief and general summary of OFAC's Sanctions programs. Questions regarding whether any particular set of facts would violate OFAC Sanctions must be referred to the Company's Legal Department.

How Will the Company Comply with OFAC Sanctions?

The Legal Department will be responsible for ensuring that the Company takes measures to comply with OFAC Sanctions as in effect from time to time, including the development of written compliance standards and procedures. The Legal Department will audit OFAC compliance procedures annually. The Legal Department will facilitate training opportunities for appropriate personnel.

The Company will maintain procedures to screen appropriate transactions against the SDN list and for compliance with OFAC Sanctions. Any violations must be promptly reported to the Legal Department.

The Legal Department will assess the risk of potential OFAC violations associated with certain proposed transactions or courses of conduct. They will implement appropriate procedures and internal controls to address areas of identified risk.

The Legal Department will implement procedures to stay abreast of changes to OFAC Sanctions and parties on the SDN list. The Legal Department will distribute this information to appropriate personnel.

The Legal Department will cause all records applicable to OFAC compliance to be retained according to OFAC guidelines as in effect from time to time.